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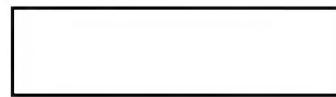
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Radical Left in Turkey Resumes Active Role

Turkish military and government leaders are concerned that renewed activity among radical leftists could lead to an eventual replay of the spiral of civil violence and political polarization of the late 1960s early 1970s.

Disrupted and scattered by the martial law regime of 1971-74, the extreme left in Turkey began to regroup following the controversial political amnesty bill of May 1974. Both the legitimate political parties and the loosely organized underground groups emerged, but the latter have been the most active in recent months.

The Marxist-Leninist Revolutionary Youth Union--a direct descendent of the notorious "Dev Genc" organization of the late 1960s--has been the most lively. Others, such as the Ankara Higher Education Organization and the Middle East Technical University Students' Association also have been active. These groups recently have been organizing on campuses and sponsoring such activities as:

- A December 3 rally that treated nearly 10,000 attendees to a high-pitched Marxist tirade;
- The formation of leftist "discussion cells" at the Middle East Technical University;
- The virtual take-over of the student council at the same university.

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In a press conference on December 10, Prime Minister Demirel condemned the 1974 amnesty--issued by his archrival Bulent Ecevit--for allowing the members of once-banned radical leftist groups to renew their efforts under new names. He also emphasized the dangers posed to Turkey by "international communism."

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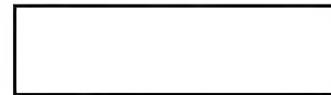
the government succeeded early last week in canceling a scheduled political demonstration in Istanbul by threatening to close down the leftist teachers' union organizing the rally if it carried out its plans. Similar coercive measures can probably be expected from the current leadership in Turkey in response to further evidence of growing radical leftist influence.

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West Germans To Give Lisbon Jet Trainers, Pilot Instruction

West Germany reportedly has decided to give the Portuguese air force six G-91 jet trainers. According to the US defense attache in Bonn, the decision--which now has surfaced in the press--reportedly was made early this month. A West German newspaper article on Friday discussed the transfer and said several Portuguese pilots would be trained at no cost to Lisbon.

The G-91s, which are being phased out of the West German air force, offer Bonn a cheap but effective means of providing military assistance to a NATO ally in need.

The gift is another example of Bonn's efforts to cultivate relations with Lisbon, and especially the Portuguese military, with an eye toward influencing developments in Portugal.

Last week, the West Germans signed an agreement under which they will grant Portugal about \$27 million in capital aid.

The G-91 is an old but reliable trainer and light ground attack aircraft that will be a welcome addition to Portugal's obsolete air force. The US defense attache in Lisbon had reported that the air force's pilot training program has fallen on extremely bad times because of a lack of flyable trainers.

The G-91s should not only help improve Portuguese air force morale, but will also strengthen the position of anti-Communists who wish to re-establish strong military ties with NATO.



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French Cabinet Shuffle Expected Next Month

Claude Pierre-Brossolette, the Secretary-General of President Giscard's staff, has told French journalists to expect a cabinet shuffle "probably in early January." He said the changes are designed to increase efficiency and will have no political significance because there will be no change in the proportion of positions allotted to the three members of the governing coalition.

Pierre-Brossolette refused to mention names, but most speculation has centered on Foreign Minister Sauvagnargues, who has been rumored to be on the skids almost from the day he took office. He reportedly will become ambassador to the US. Pierre-Brossolette himself, Industry Minister d'Ornano, and the Quai's Foreign Affairs Director de Lipkowski have been mentioned as possible successors. Justice Minister Lecanuet may also be in trouble.

The final form of the new cabinet may not yet have been decided upon. The journalists' discussion with Pierre-Brossolette revealed that the Elysee and the Prime Ministry disagree in their evaluations of several ministers. For example, Health Minister Veil stands high on the Ministry's scale, but rather low on the Elysee's; the reverse is true of d'Ornano.

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The Netherlands Tackle Economic Woes

The government's proposal for new wage-price policies provide a little something for everyone but not enough to satisfy anyone. The "half-way measures," prompted when talks between Dutch unions and employers broke down last month, may buy the government of Prime Minister den Uyl another six months in office.

The government proposals are bound to disappoint the unions, which have become accustomed to expect more from the Labor Party-dominated government. Most wage increases will be limited to 8.5 percent in 1976, instead of the 10.5 percent asked by the unions. Strict guidelines will prevent increases in industrial prices and fees charged by doctors, dentists and other professionals. The government will also postpone the planned increase in the value added tax, and subsidize those industries that will be critically affected by the scheduled 11 percent increase in the minimum wage in 1976.

The proposals have been approved by the lower house of parliament and are expected to pass the upper house. The government's suggestions, however, came under heavy attack from both Labor and various liberal and conservative elements in parliament. The Labor Party continues to criticize publicly the proposals, but reportedly is in agreement behind the scenes. Nevertheless, if the unions and management are still dissatisfied six months from now, the government may be in real trouble.

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Nordic Investment Bank Established

The Nordic Council has agreed to establish a Nordic Investment Bank to attract foreign capital, principally oil money, to the Scandinavian area.

The bank, headquartered in Helsinki, will grant loans and guarantee projects involving two or more Nordic countries. Common energy projects, such as pipelines for natural gas, will have first call upon the bank's lending capacity.

The bank's basic capital will total about \$500 million, and will be raised by levies on each Nordic country, according to the size of its gross national product. Eventually, Norwegian oil profits could also help finance the bank.

Preferential tax treatment will almost guarantee the bank's financial success and will give it a competitive edge over all other financial institutions in Scandinavia.

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Iceland Requests UN Security Council Meeting

The UN Security Council tomorrow will consider Iceland's complaint against Britain following an incident on December 11 in which an Icelandic patrol boat was rammed by a British support ship inside Iceland's 12-mile limit. Iceland considers the incident a "flagrant violation of Iceland's sovereignty endangering peace and security."

The Icelandic move suggests that British Foreign Secretary Callaghan's recent conciliatory offers to Icelandic Foreign Minister Augustsson at the recent NATO meeting in Brussels will not receive an enthusiastic response from the Reykjavik government. Callaghan offered to reduce the size of the British annual catch to a figure below the 110,000 tons London had been demanding in order to get the stalled fisheries negotiations going again. So far there has been no response from Reykjavik.

Reaction in Reykjavik to the ramming episode has been predictably sharp, with politicians of every persuasion vehemently denouncing the British action. Prime Minister Hallgrimsson said the incident was "unusually serious" and demonstrated British "recklessness and violence." Most officials are responding more stridently to this incident than to previous cod war skirmishes because the incident occurred within Iceland's 12-mile zone, which Britain recognizes.

Iceland has already appealed to NATO and for several weeks has been considering an approach to the UN as part of an effort to gain world-wide sympathy and support. Reykjavik decided last week to put off an approach to the UN General Assembly for a resolution branding the UK an aggressor until it weighed the response from NATO. Iceland's UN Representative then sent a letter to the President of the UN Security

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Council on December 11 outlining the issues in the dispute and reserving the right to approach the Security Council. The ramming incident provoked the request for an emergency meeting of the Council.

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EC Still Uncertain on the Spanish Question

The EC is not yet ready to reopen the trade negotiations with Spain that were formally suspended earlier this fall to protest the execution of Basque terrorists. Some Commission officials and several of the member states believe that the EC should move only when there are clear indications that democracy is taking root in Spain. Others suggest that early community action would support and reinforce liberal tendencies.

Commission officials believe that the Spanish may not be ready to focus on relations with the community until at least early spring. They argue that, although Spanish relations with the EC loom large in Spain's foreign policy, domestic issues facing the new Spanish government are more pressing. Even in the spring, Madrid may wait for the community to make the first move. The Commission nevertheless feels itself under some pressure to be prepared to recommend a course of action to the EC Council.

Commission officials recognize that Spain is likely to want a closer relationship with the EC than would be entailed in a mere updating of the trade agreement of 1970. They are apprehensive that Madrid may apply for full membership and thus pose the political dilemma for the community most acutely. The application would be hard to turn down on economic grounds because of progress underway toward membership for Greece, no better off than Spain. Nonetheless, Spain's 35 million inhabitants--as compared to Greece's nine million--may in fact prove more of an economic burden to the EC.

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Spanish Socialists are encouraging the West Europeans to take a hard line on Spain. A delegation from the governing Dutch Labor Party ended a recent visit to Spain as guests of the Spanish Socialists with a warning that the Netherlands will oppose Spain's entry into the EC until democratic freedoms are fully established and all political prisoners freed. The visits abroad by Spanish Socialists have also been effective. A recent visit of a Socialist leader to Norway, for example, provoked such press headlines as "No Change in Spain under King Juan Carlos" and "Tourist Boycott Should be Permanent."

Confidential talks this week in Paris between representatives of all non-falangist Spanish political groups and members of the 18-nation Council of Europe may provide a broader perspective on the strategy advocated by Spaniards as likely to promote progress toward democratic freedoms in Spain. [redacted]

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Differences Narrow Over Resumption of Cypriot Talks

The Greek and Turkish foreign ministers narrowed their differences over the manner of reactivating the moribund Cypriot intercommunal talks in their meeting in Brussels on Friday. Although the specifics of the meeting are not known, enough goodwill was generated to provide for a compromise resolution on the renewal of the mandate of the UN force in Cyprus the next day.

Greek Foreign Minister Bitsios and Turkish Foreign Minister Caglayangil were reported to be "very encouraged" as a result of their lengthy discussion. A communique issued at the close of their meeting noted they had decided to ask UN Secretary General Waldheim to try to get the talks resumed in consultation with the interested parties.

Prior to the meeting, Ankara had called for enlarging the talks to include Greek and Turkish representatives and opposed holding the talks under the direct auspices of Waldheim. Athens and the Greek Cypriots had been unenthusiastic about the Turkish proposal and had called instead for the resumption of the talks under the old format and with an open agenda. The communique, along with official and press commentary in the respective capitals, suggests that a compromise may be under consideration entailing a continued role for Waldheim in the talks and their enlargement at some point to include Greek and Turkish observers.

The Security Council resolution on the extension of the mandate for the UN force artfully combined the position of the two sides. It "noted" but did not reaffirm the earlier General Assembly resolution as

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demanded by the Greek side. While it made no mention of the Turkish Cypriot administration whose recognition the Turkish side has been trying to secure, the UN force commander did sign a document with Turkish Cypriot leader Denktash governing the force's activities in the Turkish Cypriot zone.

Denktash had earlier threatened to expel the force from the zone in retaliation for the unfavorable treatment accorded the Turkish Cypriot case in the General Assembly last month. Although the compromise agreement still bestows some recognition on the Turkish Cypriots, it will serve to deter the increase in tensions that would have accompanied the force's ouster.

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Italian Socialists Step Up Criticism of Moro Government

The Italian Socialists last week sharpened their criticism of the Moro government but postponed until their congress in February a decision on whether to bring it down by withdrawing the party's crucial parliamentary support. Socialist leader De Martino has been under strong pressure from members of his party who maintain that continued support for the government will hurt the Socialists in the next election.

In a speech that was approved unanimously by the Socialist directorate, De Martino rendered a sharply negative judgment of the government but argued against challenging it now. The Socialist leader noted that to do so would run the risk of:

- interrupting difficult negotiations between organized labor and the government, as well as complicating the debate now taking place in parliament over economic recovery measures;
- precipitating early parliamentary elections, to which most politicians remain opposed and for which the Socialists would be held responsible;
- strengthening the hand of those Christian Democrats and Social Democrats who are opposed to the trend in their parties toward closer relations with the Socialists.

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While he did not mention it, De Martino is probably motivated also by a desire to avoid charges of political irresponsibility prior to his visit to the US in January. In addition, divisions among Socialists over what course to follow if the government falls could destroy the thin veneer of unity that De Martino hopes to maintain through the party congress in February.

The harsh view of the government taken by the Socialist directorate will make it difficult for the party to support Moro for long after the congress. In the meantime, the increased likelihood of a Socialist-initiated crisis after February will strain relations between them and the two parties--Christian Democrats and Republicans--who hold cabinet posts under Moro.

The resulting tensions could, in turn, jeopardize Moro's survival. There are already reports that some Republicans--angered by Socialist criticism--are suggesting that their party reassess its participation in the cabinet. [redacted]

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Results of Public Opinion Poll in West Germany
Underscore Importance of Franz Josef Strauss

The results of a recent West German opinion poll suggest that next fall's national election will be a close one. The poll also indicates that opposition chancellor-candidate Helmut Kohl would improve his chances if he could somehow distance himself from Franz Josef Strauss, the controversial leader of the Bavarian affiliate, the Christian Social Union.

The results of the poll, conducted by the respected Allensbach Institute in early November, were published by the weekly magazine Stern on December 4. When asked which party they would vote for if the election were held the following week, 50.7 percent of the respondents selected the Christian Democratic Union/Christian Social Union, as opposed to 53 percent a year ago. Of the respondents, 39.7 percent picked Chancellor Schmidt's Social Democratic Party, and 8.6 percent selected the Free Democrats, as against 38 percent and 7 percent, respectively, in December 1974. Twenty percent of those polled, however, were undecided.

The poll strengthens the view that the West German voters are more concerned about the personalities of the party leaders than with the parties themselves, and that Strauss will cost the CDU votes. When asked which party would receive the most votes in the next election, 39 percent of those who expressed an opinion said it will be the CDU/CSU. Only 31 percent picked the SPD/FDP. But when asked if the SPD/FDP coalition led by Schmidt and Hans-Dietrich Genscher or the CDU/CSU led by Kohl and Strauss would win the most votes, 33 percent picked the Schmidt/Genscher team and only 31 percent picked the Kohl/Strauss ticket.

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When asked which political leaders were best suited to be in a government, 79 percent said Schmidt; 70 percent, Kohl; and only 51 percent supported Strauss for any government position. In addition, only 39 percent of the respondents admitted to having a good opinion of Strauss, while 51 percent voiced a negative view of the Bavarian leader. On the other hand, 67 percent of those polled have a good opinion of Schmidt, while 63 percent regard Kohl favorably.

When asked which government would deal most effectively with domestic economic problems, a CDU/CSU government led by Kohl and Strauss had an edge of more than five percent over the present coalition led by Schmidt and Genscher. When the same question was asked, but the choices were the Schmidt/Genscher coalition or a CDU/CSU government led by Strauss, ten percent more people picked the SPD/FDP coalition.

The poll illustrates the dilemma facing Kohl. He needs the full support of Strauss and his Bavarian conservatives to become chancellor, but somehow Kohl must also distance himself from Strauss and appear to be independent. Accomplishing this task will be extremely difficult, and may prove impossible. It is already clear that the SPD and FDP will hammer at the theme of the Kohl/Strauss team, and that it is Strauss rather than Kohl who is holding the reins.

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